

# 2011 Property Tax Report

## Adams County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Adams County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Adams County

The average homeowner saw a 6.9% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 13.1% lower than they were in 2007, before the property tax reforms.

80.1% of homeowners saw lower tax bills in 2011 than in 2007.

86.9% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 1% and 29% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	7,207	90.5%	1,574	19.8%
No Change	310	3.9%	10	0.1%
Lower Tax Bill	446	5.6%	6,379	80.1%
<b>Average Change in Tax Bill</b>	<b>6.9%</b>		<b>-13.1%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	290	3.6%	420	5.3%
10% to 19%	1,823	22.9%	239	3.0%
1% to 9%	5,094	64.0%	915	11.5%
0%	310	3.9%	10	0.1%
-1% to -9%	371	4.7%	1,570	19.7%
-10% to -19%	32	0.4%	1,807	22.7%
-20% to -29%	15	0.2%	1,360	17.1%
-30% to -39%	9	0.1%	928	11.7%
-40% to -49%	9	0.1%	329	4.1%
-50% to -59%	2	0.0%	130	1.6%
-60% to -69%	0	0.0%	105	1.3%
-70% to -79%	1	0.0%	50	0.6%
-80% to -89%	2	0.0%	17	0.2%
-90% to -99%	2	0.0%	12	0.2%
-100%	3	0.0%	71	0.9%
<b>Total</b>	<b>7,963</b>	<b>100.0%</b>	<b>7,963</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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*LOSS OF STATE HOMESTEAD CREDIT AND LOWER LOCAL HOMESTEAD CREDITS RAISE HOMEOWNER TAX BILLS*

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#### Homestead Property Taxes

Homestead property taxes increased 6.9% on average in Adams County in 2011. This was more than the state average of 4.4%. Adams County homestead taxes were still 13.1% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.7% in Adams County in 2010. In addition, Adams County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. Tax rates were relatively low in Adams County, so only 13% of homeowners received circuit breaker credits. This was an increase from 10% in 2010.

#### Tax Rates

Property tax rates increased in about half of Adams County tax districts. The average tax rate only increased slightly, by 0.9%, because a small levy increase was partly offset by a small increase in net assessed value. Levies in Adams County increased by 1.6%. The biggest levy increases were in the Adams Central Schools debt service fund, the county general fund, and the Berne and Decatur City highway funds. North Adams Schools reduced its debt service levy. Adams County's total net assessed value increased 1.1% in 2011. (The certified net AV used to compute tax rates rose by 0.7%.) Homestead and agricultural net assessments increased by 2.2% and 1.9%, respectively. Other residential assessments showed a small increase at 1.2%, while business net assessments decreased by 0.7%.

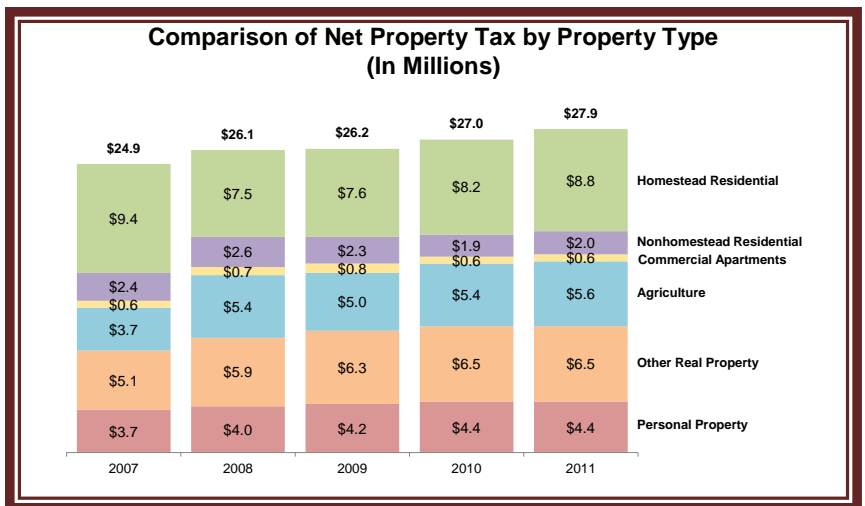
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*SMALL CHANGES IN TAX BILLS FOR  
NONHOMESTEAD PROPERTY; A LARGER  
INCREASE FOR AGRICULTURE*

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### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.2% in Adams County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 0.8%. Tax bills for commercial apartments fell 0.8%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - were nearly unchanged, increasing by 0.2%. These small tax bill changes reflect the small tax rate changes in Adams County in 2011. However, agricultural tax bills rose 4.1%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED  
SLIGHTLY IN 2011.*

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Total tax cap credit losses in Adams County were \$1.3 million, or 4.4% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Adams County's tax rates were near the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the city of Berne, the town of Geneva, and the Berne Public Library, where district tax rates were near \$3 per \$100 assessed value. The largest dollar losses were in the North Adams School Corporation, Decatur City, and the county unit.

Adams County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$334,515	\$746,784	\$4,376	\$24,470	\$1,110,145	3.8%
2011 Tax Cap Credits	479,502	774,859	9,636	39,739	1,303,736	4.4%
<b>Change</b>	<b>\$144,987</b>	<b>\$28,075</b>	<b>\$5,260</b>	<b>\$15,269</b>	<b>\$193,590</b>	<b>0.6%</b>

Tax cap credits increased slightly in Adams County in 2011 by \$193,590, or 17%. The added

credits represent an additional loss of 0.6% of the total tax levy. Most of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the 1% tax cap credit increase.

### The Effect of Recession

The 2009 recession had a mixed effect on Adams County assessments for pay-2011. Business property values and construction activity appear to have fallen in Adams County in 2009, but increases in homestead values and agricultural assessments more than offset this decline. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This credit reduction contributed to a rise in homestead tax bills and a small increase in tax cap credit losses for Adams County governments.

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*2009 RECESSION REDUCED LOCAL  
HOMESTEAD CREDIT RATES IN 2011.*

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Property Type	Gross AV Pay 2010	Gross AV Pay 2011	Gross AV Change	Net AV Pay 2010	Net AV Pay 2011	Net AV Change
Homesteads	\$1,138,134,250	\$1,152,601,400	1.3%	\$473,430,039	\$483,665,036	2.2%
Other Residential	102,049,500	103,001,800	0.9%	101,395,170	102,634,220	1.2%
Ag Business/Land	319,975,270	325,979,400	1.9%	319,152,780	325,349,740	1.9%
Business Real/Personal	522,350,300	519,825,760	-0.5%	413,586,190	410,775,210	-0.7%
<b>Total</b>	<b>\$2,082,509,320</b>	<b>\$2,101,408,360</b>	<b>0.9%</b>	<b>\$1,307,564,179</b>	<b>\$1,322,424,206</b>	<b>1.1%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Adams County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	34,681,655	39,207,884	27,589,611	28,854,887	29,330,518	13.1%	-29.6%	4.6%	1.6%
State Unit	33,828	34,994	0	0	0	3.4%	-100.0%		
Adams County	7,117,865	8,938,031	7,300,403	7,556,030	7,744,911	25.6%	-18.3%	3.5%	2.5%
Blue Creek Township	18,036	18,657	19,361	20,101	20,572	3.4%	3.8%	3.8%	2.3%
French Township	19,932	20,596	21,409	22,185	22,727	3.3%	3.9%	3.6%	2.4%
Hartford Township	28,721	29,774	30,932	32,109	32,938	3.7%	3.9%	3.8%	2.6%
Jefferson Township	19,636	20,198	21,042	21,812	22,347	2.9%	4.2%	3.7%	2.5%
Kirkland Township	26,121	27,052	27,984	45,494	46,410	3.6%	3.4%	62.6%	2.0%
Monroe Township	21,650	22,201	23,069	23,871	56,179	2.5%	3.9%	3.5%	135.3%
Preble Township	35,400	36,784	38,007	39,019	40,341	3.9%	3.3%	2.7%	3.4%
Root Township	55,845	57,924	59,980	62,381	63,667	3.7%	3.5%	4.0%	2.1%
St. Marys Township	29,666	31,041	32,265	33,446	34,313	4.6%	3.9%	3.7%	2.6%
Union Township	35,569	37,127	37,260	38,655	39,616	4.4%	0.4%	3.7%	2.5%
Wabash Township	46,728	48,338	50,022	51,983	53,041	3.4%	3.5%	3.9%	2.0%
Washington Township	180,183	186,705	194,056	200,674	206,205	3.6%	3.9%	3.4%	2.8%
Decatur Civil City	3,127,178	3,235,012	3,180,147	3,295,157	3,373,161	3.4%	-1.7%	3.6%	2.4%
Berne Civil City	916,962	959,019	991,899	1,040,805	1,117,611	4.6%	3.4%	4.9%	7.4%
Geneva Civil Town	407,058	422,117	443,544	462,675	475,328	3.7%	5.1%	4.3%	2.7%
Monroe Civil Town	154,192	159,850	162,637	169,083	173,402	3.7%	1.7%	4.0%	2.6%
Adams Central Community School Corp	4,232,392	4,870,774	2,454,179	2,593,601	3,043,223	15.1%	-49.6%	5.7%	17.3%
North Adams Community School Corp	11,744,941	12,121,526	8,052,962	7,836,150	7,523,952	3.2%	-33.6%	-2.7%	-4.0%
South Adams School Corp	5,149,691	6,606,738	3,067,116	3,884,922	3,771,369	28.3%	-53.6%	26.7%	-2.9%
Berne Public Library	296,456	303,052	321,133	325,095	342,198	2.2%	6.0%	1.2%	5.3%
Decatur Public Library	431,160	447,229	0	0	0	3.7%	-100.0%		
Geneva Public Library	49,261	51,152	0	0	0	3.8%	-100.0%		
Adams Public Library System	0	0	517,982	536,804	550,788			3.6%	2.6%
Adams County Solid Waste Mgt Dist	503,184	521,993	542,222	562,835	576,219	3.7%	3.9%	3.8%	2.4%

### Adams County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
01001	North Blue Creek Township	1.5634	--	--	6.3394%	--	--	--	1.4643
01002	South Blue Creek Township	1.7391	--	--	6.3394%	--	--	--	1.6289
01003	North French Township	1.5646	--	--	6.3394%	--	--	--	1.4654
01004	South French Township	1.7403	--	--	6.3394%	--	--	--	1.6300
01005	Hartford Township	1.7746	--	--	6.3394%	--	--	--	1.6621
01006	Jefferson Township	1.7499	--	--	6.3394%	--	--	--	1.6390
01007	Kirkland Township	1.6127	--	--	6.3394%	--	--	--	1.5105
01008	North Monroe Township	1.5716	--	--	6.3394%	--	--	--	1.4720
01009	South Monroe Township	1.7473	--	--	6.3394%	--	--	--	1.6365
01010	Berne City-Monroe Township	2.9464	--	--	6.3394%	--	--	--	2.7596
01011	Monroe Town-Monroe Township	2.1861	--	--	6.3394%	--	--	--	2.0475
01012	Preble Township	1.9425	--	--	6.3394%	--	--	--	1.8194
01013	Root Township	1.9100	--	--	6.3394%	--	--	--	1.7889
01014	Decatur City-Root Township	2.9255	--	--	6.3394%	--	--	--	2.7400
01015	St Marys Township	1.5910	--	--	6.3394%	--	--	--	1.4901
01016	Union Township	1.9520	--	--	6.3394%	--	--	--	1.8283
01017	Wabash Township	1.7417	--	--	6.3394%	--	--	--	1.6313
01018	Berne City-Wabash Township	2.9618	--	--	6.3394%	--	--	--	2.7740
01019	Geneva Town	3.0807	--	--	6.3394%	--	--	--	2.8854
01020	South Washington Township	1.6006	--	--	6.3394%	--	--	--	1.4991
01021	North Washington Township	1.9455	--	--	6.3394%	--	--	--	1.8222
01022	Decatur City-Washington Township	2.9753	--	--	6.3394%	--	--	--	2.7867
01023	Monroe Town-Washington Township	2.2377	--	--	6.3394%	--	--	--	2.0958

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Adams County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	479,502	774,859	9,636	39,739	1,303,736	29,330,518	4.4%
<i>TIF Total</i>	0	0	0	0	0	163,966	0.0%
<i>County Total</i>	479,502	774,859	9,636	39,739	1,303,736	29,494,484	4.4%
Adams County	96,061	154,620	1,850	10,021	262,552	7,744,911	3.4%
Blue Creek Township	0	0	0	18	18	20,572	0.1%
French Township	0	0	0	5	5	22,727	0.0%
Hartford Township	0	0	0	23	23	32,938	0.1%
Jefferson Township	0	0	0	7	7	22,347	0.0%
Kirkland Township	0	0	0	26	26	46,410	0.1%
Monroe Township	37	162	0	54	253	56,179	0.5%
Preble Township	4	0	0	39	43	40,341	0.1%
Root Township	489	573	0	52	1,114	63,667	1.8%
St. Marys Township	0	0	0	83	83	34,313	0.2%
Union Township	5	0	0	23	28	39,616	0.1%
Wabash Township	1,528	1,558	72	75	3,233	53,041	6.1%
Washington Township	2,507	6,597	0	382	9,486	206,205	4.6%
Decatur Civil City	82,191	156,978	0	3,883	243,052	3,373,161	7.2%
Berne Civil City	54,371	57,836	0	2,293	114,500	1,117,611	10.2%
Geneva Civil Town	16,236	32,766	3,832	1,405	54,238	475,328	11.4%
Monroe Civil Town	592	1,429	0	844	2,866	173,402	1.7%
Adams Central Community School Corp	799	1,929	0	4,479	7,206	3,043,223	0.2%
North Adams Community School Corp	112,124	211,364	0	8,899	332,387	7,523,952	4.4%
South Adams School Corp	74,829	93,029	3,322	4,953	176,133	3,771,369	4.7%
Berne Public Library	16,648	17,709	0	702	35,058	342,198	10.2%
Decatur Public Library	0	0	0	0	0	0	
Geneva Public Library	0	0	0	0	0	0	
Adams Public Library System	13,934	26,806	423	729	41,891	550,788	7.6%
Adams County Solid Waste Mgt Dist	7,147	11,504	138	746	19,534	576,219	3.4%
TIF - Berne City-Monroe Township	0	0	0	0	0	163,966	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

**Circuit Breaker Credit Types:**

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.